GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:3673
ANSWERED ON:08.08.2016
Issues Raised by India in WTO
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Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) the details of Nairobi Agreement entered into by India indicating the issues raised in the World Trade Organization (WTO) summit recently;
(b) whether India has to stop giving subsidies to cotton from Ist January, 2017 and subsidies to other than cotton produces from 2018 end;
(c) if so, the details thereof along with the reasons for entering into such an agreement which adversely affects the Indian farmers;
(d) whether any solution was arrived at the WTO summit on public stock holding programme for food security and if so, the details thereof;
(e) whether there was any effective agreement on special safeguard mechanism to impose safeguard tariff duties on the import of highly subsidized agricultural products; and
(f) if so, the details thereof along with the benefits to Indian farmers as a result thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (INDEPENDENT CHARGE)
(SMT. NIRMALA SITHARAMAN)

(a) : A declaration was adopted at the Tenth Ministerial Conference of the World Trade Organization (WTO), held in Nairobi, Kenya, from 15 to 19 December 2015. It comprises six Ministerial Decisions on agriculture, cotton and issues related to least-developed countries (LDCs). These cover an agricultural Special Safeguard Mechanism (SSM) for developing countries, public stockholding for food security purposes, a commitment to abolish export subsidies for farm exports and measures related to cotton. Decisions were also taken regarding preferential treatment to LDCs in the area of services and the criteria for determining whether exports from LDCs may benefit from trade preferences.
(b) &(c): The Ministerial Decision relating to Cotton does not prohibit subsidies to the cotton sector and India can continue to provide domestic support to cotton, as per the existing WTO rules and commitments. The Ministerial Decision relating to export competition stipulates that export subsidies to the cotton sector will be eliminated by developed countries immediately and by developing countries with effect from 1 January 2017. Presently export subsidies can be provided by only a few members, mainly developed countries, who had been giving such subsidies and had scheduled the same following the Uruguay Round of trade negotiations. India was not giving such subsidies and had not scheduled them and therefore, does not have such an entitlement. The elimination of export subsidies by developed countries will help the cotton industry in developing countries, including India, to become more competitive.
(d): A Ministerial Decision on Public Stockholding for Food Security Purposes was taken at the WTO Ministerial Conference in Nairobi in December 2015. WTO Members decided to engage constructively to negotiate and make all concerted efforts to agree and adopt a permanent solution on the issue of public stockholding for food security purposes. As per the Bali Ministerial Decision of December 2013, Members had agreed to negotiate an agreement for a permanent solution on the issue of public stockholding for food security purposes for adoption by the 11thMinisterial Conference of the WTO.In order to achieve such a permanent solution, the negotiations on this subject are to be held in the WTO's Committee on Agriculture in Special Session, in dedicated sessions and in an accelerated time-frame, distinct from the agriculture negotiations under the Doha Development Agenda.India negotiated and secured a re-affirmative Ministerial Decision on Public Stockholding for Food Security Purposes honouring both the Bali Ministerial Decision of December 2013 and a WTO General Council Decision of November 2014. The decision commits Members to engage constructively in finding a permanent solution to this issue.
(e) &(f): India negotiated a Ministerial Decision which recognizes that developing countries will have the right to have recourse to an agricultural Special Safeguard Mechanism (SSM) as envisaged in the mandate of the Doha round of trade negotiations. Negotiations on the SSM will be held in dedicated sessions and the WTO General Council has to regularly review the progress. The SSM is intended to help developing countries protect their agriculture sector from the effects of import surges.
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